

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

NICHOLAS GRAY,	)	
Plaintiff	)	
	)	
vs.	)	C.A. NO. 4:08-CV-3369
	)	
PASHA ENTERTAINMENT GROUP	)	
and MICHAEL WARREN POWERS,	)	
Defendants	)	

**DECLARATION OF STEPHEN POWERS**

Pursuant to 28 U.S.C., Section 1746, the undersigned declares as follows;

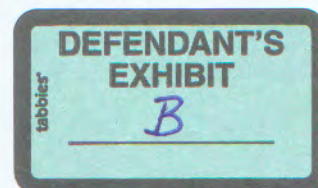
“My name is STEPHEN POWERS. I am over years of age, of sound mind, and am fully competent to testify. I have never been convicted of a felony or any crime of moral turpitude.

I have personal knowledge of all matters stated herein, all of which are true and correct.

In August of 2006, my wife, Kathleen Powers, and I entered into a limited liability company with Michael Powers (my brother), Christian Bruckner and Richard Stark to open a nightclub named Pasha Ultra Lounge in Houston, Texas. The name of the limited liability company which owned and operated the nightclub is PASHA ENTERTAINMENT GROUP, L.L.C. I live in Wesley Chapel, Florida. My personal investment in the nightclub was over \$80,000.00.

Attached to this Declaration as Exhibit #1 is a true and correct copy of the first page to the Lease Agreement whereby PASHA ENTERTAINMENT GROUP, L.L.C. rented from Levan Properties, L.P, the commercial space at 2010 McKinney, Houston, Texas 77003 where the nightclub operated. The only personal guarantor to the Lease agreement is Christian Bruckner.

During the months of either October or November, 2007, the nightclub’s general manager, John



W. Ritchey, Jr. went on vacation for a week or two. I asked NICHOLAS GRAY, on behalf of the  
• limited liability company, to assume some of Mr. Ritchey's duties while he was gone. Later, in  
February of 2008, when Mr. Ritchey was terminated from his general manager position, I hired  
NICHOLAS GRAY to take over that position. Michael warren Powers was not involved in that  
hiring process.

I have read this Declaration. Under penalty of perjury, I declare that all of the foregoing  
statements made in this declaration are true and correct.

Signed under penalty of perjury on November 13, 2009.

  
STEPHEN POWERS



LEASE AGREEMENT

CB ME

THIS LEASE AGREEMENT (this "Lease") is made and entered into as of the 8th day of June, 2006, (the "Effective Date"), by and between **LEVAN PROPERTIES, L.P.**, a Texas limited partnership ("Landlord"), whose address is 2101 Smith, Suite 200, Houston, Texas 77002, and **Pasha Entertainment Group, LLC** ("Tenant"), whose address is 2010 McKinney Houston TX 77003. Subject to all of the terms, provisions, covenants and conditions of this Lease, and in consideration of the mutual covenants, obligations and agreements contained in this Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

**ARTICLE I. BASIC LEASE PROVISIONS**

Base Rental shall mean the following amount per lease year through the Term (hereinafter defined), payable as described in Section 3.01(a) of this Lease as follows:

Lease Year	Total Monthly Amount	Total Annual Amount
Months 1 through 4	\$3,110.50	\$12,442.00
Months 5 through 12	\$6221.00	\$49,768.00
Year 2 through 3	\$6221.00	\$74,652.00

Building shall mean the approximately 11,411 square foot structure situated upon the Land (hereinafter defined), located at 2010 McKinney in the City of Houston, County of Harris, State of Texas, as shown on the site plan attached hereto as Exhibit B, as the same currently exists or as it may from time to time hereafter be expanded or modified.

Common Area shall mean all areas of the Land and improvements thereon designated by Landlord from time to time for the common use of all tenants, including, among other facilities, parking areas, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, restrooms and other areas and improvements provided by Landlord for the common use of all tenants, all of which shall be subject to the provisions of Section 4.02 of this Lease.

Floor Area shall mean the total number of square feet of floor space available for the exclusive use of an occupant, whether or not actually occupied, including decks, basement, subterranean, balcony and mezzanine, measured from exterior facade of exterior walls and center line of demising walls. The Floor Area of the Leased Premises has been calculated on the basis of the foregoing definition, and is stipulated for all purposes to be the number of square feet set forth in Section 2.01 of the Lease, whether the same should be more or less as a result of minor variations resulting from completion of the Leased Premises for occupancy so long as such work is in accordance with this Lease.

Guarantor (whether one or more) shall mean Christian Bruckner.

Land shall mean that certain tract of land situated in the City of Houston, County of Harris, State of Texas and more particularly described on Exhibit A attached hereto and hereby made a part hereof.

Percentage Rental shall mean the amount equal to five percent (5%) of the amount, if any, by which the amount of Gross Sales (hereinafter defined) in any lease year (hereinafter defined) exceeds the Break Point Amount (hereinafter defined), as provided in Section 3.01(b)(i) of this Lease.

Prepaid Rental - N/A

Project shall mean the Building, together with the Land, the Common Area and all other improvements situated therein or directly benefiting the Building, and all future additional facilities or improvements directly benefiting the Building that may be constructed. The Project is currently known as 2010 McKinney. Landlord may change the name of the Project at any time and from time to time.

Rent Commencement Date shall mean (1) the date being one hundred fifty (150) days after the date Landlord delivers possession of the Leased Premises to Tenant, or (2) the date Tenant initially opens the Leased Premises for business, whichever date is the earlier.

Security Deposit as used in Section 3.03 of this Lease shall mean \$6,221.00.

Tenant's Trade Name shall mean to be agreed upon by Tenant and Landlord. Pasha

Term shall mean the term of this Lease which shall commence on the Effective Date and which shall expire thirty-six (36) months after the Rent Commencement Date.

